GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:955
ANSWERED ON:19.07.2002
DIRECTORS OF PRIVATE SECTOR BANKS
AMBATI BRAHMANAIAH

Will the Minister of FINANCE be pleased to state:

(a) whether the RBI has laid down stringent eligibility criteria for directors on the boards of private banks;

(b) if so, the details thereof; and

(c) the time by which it is likely to be implemented ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANT G. GEETE)

(a) to (c):- RBI vide its circular dated 20th June, 2002 have advised banksregarding eligibility criteria for nomination of Directors on the Boards of the private sector banks. It has, inter-alia, advised that the Board of Directors of the banks while nominating/ co-opting directors should be guided by certain broad `fit and proper` norms for directors, viz age, formal qualification, experience, track record, integrity etc. For assessing integrity and suitability features like criminal records, financial position, civil actions initiated to pursue personal debts, refusal of admission to or expulsion from professional bodies, sanctions applied by regulators or similar bodies, previous questionable business practices etc. should be considered.